



Department for Levelling Up,
Housing and Communities

Siobhan Baillie MP
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Dear Siobhan,

Thank you for your email of 26 October to the Rt Hon Michael Gove MP on behalf of your constituents, regarding reforms for freeholders on private estates. I appreciate how important this matter is to your constituents and I am grateful to you for contacting this department on their behalf.

First, I wanted to state that I was sorry to read of the experience your constituents were having with relation to the management and charges on their freehold estate.

Developers of new estates may choose to provide open spaces for residents or be required, as a planning condition, to include public open spaces and make provision for their future upkeep. Developers and local planning authorities are required to agree appropriate funding arrangements for developments with common areas or shared services. In all cases, the Government believes that it should be clear to potential purchasers what the arrangements are for the maintenance of roads and upkeep of open space, whether public or otherwise.

Estate rentcharges cover the maintenance of communal areas and facilities on private or mixed tenure estates and a requirement to pay these may be specified in the deeds of the property. Council Tax contributes towards a wide variety of local services, including adult social care, children's services, refuse collection and leisure facilities. Not all of these will be equally relevant to each resident of the area at any one time, and the level of Council Tax due is not adjusted to reflect the specific level of services individually used or received by each resident.

Where people pay estate rentcharges however, it is not appropriate that these homeowners have limited rights to challenge these costs. That is why the Government intends to legislate to give freeholders on private and mixed-use estates equivalent rights to leaseholders to challenge the reasonableness of estate rentcharges, and to go to the tribunal to appoint a new management company if necessary.

We will also consider introducing a Right to Manage for residential freeholders once we have considered the Law Commission's report and recommendations on changes to the Right to Manage for leaseholders.

I hope this information is of help to you and your constituents. Thank you for writing in on this important matter.

Yours sincerely,

LORD GREENHALGH